GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3923
ANSWERED ON:13.12.2002
CONTRIBUTION OF INDUSTRIES IN COUNTRY`S ECONOMY
HARIBHAU MAHALE;PRAHLAD SINGH PATEL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the percentage of industries in the overall economy of the country;

(b) whether this percentage has declined during the last decade;

(c) if so, the reasons therefor; and

(d) the steps being taken by the Government to increase the share of industry in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

a) As per the Advanced Estimates released by the Central Statistical Organisation for 2001-02 (at 1993-94 prices), the share of industrial sector (including construction) in the overall GDP of the economy is 26.7 per cent.

b) No, Sir. The share of industrial sector during 1991-92 and 2001-02 remained at 26.7 percent.

c) Does not arise.

d) The Government has taken the following initiatives to boost industrial production:

+ The Government has announced guidelines for allowing 100% FDI in the development of integrated townships and regional urban infrastructure. This is expected to boost housing/real estate sector and also boost production in cement and steel sector.
+ Kelkar Committee for Direct taxes and for Indirect taxes has recommended reforms, which are expected interalia to reduce transaction costs by 50%.
+ The RBI has continued itspolicy of lower interest rates in its Mid-term review of monetary and credit policy for 2002-03. It has announced series of measures for developing technological and institutional infrastructure of the financial sector and for improving the credit delivery system.
+ The RBI has cut Cash Reserve Ratio (CRR) to 4.75 per cent from 5.0 percent, a move that will ease the liquidity position further.
+ The draft Electricity Bill has been introduced in the Parliament for facilitating comprehensive power sector reforms.
+ The Union Budget 2002-03 has made allocations towards some of the major schemes, which will boost demand especially in construction, housing, steel, and cement sectors. These schemes include PM`S Gram Sadak Yojana, Infrastructure Equity Fund, Urban Reform Incentive Fund, City Challenge Fund, and Accelerated Power Development Reform Programme.
+ Sector-wise strategies to boost production for exports in key sectors, which include engineering/electronic/electrical and allied, textiles, gems & jewellery, chemicals & allied sector have also been announced in the Medium Term Export Strategy for 2002-07.
+ Department of Industrial Policy and Promotion has entrustedsector-wise studies in respect of capital goods, pulp and paper and cement industries to organisations of international repute with a view to enhance the competitiveness of these industries.